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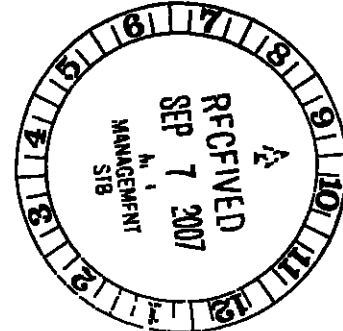
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6 September 2007
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Hon. Vernon Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20024

Re: PYCO Industries - Feeder Line Application -
South Plains Switching, Ltd., F.D. 34890

Notice of Acceptance of Terms and Conditions

Dear Mr. Secretary:

This gives notice of acceptance of terms and conditions on behalf of PYCO Industries, Inc. ("PYCO"), in F.D. 38490. By decision served August 31, 2007, this Board established terms and conditions for the sale of the Lubbock lines of South Plains Switching, Ltd. Co. ("SAW") to feeder line applicant PYCO pursuant to 49 U.S.C. 10907 in PYCO Industries, Inc. - Feeder Line Application - Lines of South Plains Switching, Ltd. Co., F.D. 34890. (At the same time, this Board granted the application of Keokuk Junction Railway Company ("KJRY") (F.D. 34922) to acquire the same properties.) The Board's Decision requires the feeder line applicant to notify the Board by September 17, 2007, in the event the applicant wishes to proceed under the terms prescribed in the August 31 Decision.

PYCO hereby informs the Board and SAW that it "wish[es] to proceed under the terms prescribed in [the August 31] decision" as provided in ordering paragraph 7, slip op. p. 37, of the Board's Decision. PYCO's acceptance of the terms and conditions includes the purchase price (\$2,350,918) (Dec. p. 30), the determination concerning BNSF ratemaking authority (Dec. p. 34), the labor protection requirement (Dec. p. 36), and the closing terms (Dec. p. 36). Due among other things to the deteriorated condition of the SAW trackage [the subject of motions by PYCO and indeed by SAW itself in F.D. 34889 (alternative rail service)], PYCO is prepared

to proceed as expeditiously as possible.

PYCO's acceptance is without any prejudice to PYCO's right to seek appropriate relief by motion, petition, petition for reconsideration, or otherwise from STB, or through a petition for judicial review to a United States Court of Appeals, depending upon the actions of SAW, Choo Choo Properties, other parties, or any other entities in F.D. 34890, F.D. 34922, or any other relevant docket.

By my signature below, I certify service of this notice upon all parties of record per the STB service list, including specifically SAW by its counsel Mr. McFarland by deposit on this date for express service, next day delivery, via Federal Express.

Respectfully submitted,

Charles H. Montange
for PYCO Industries, Inc.

cc. Counsel for parties of record
(service certified by next business day express delivery)
PYCO
Gary McLaren